

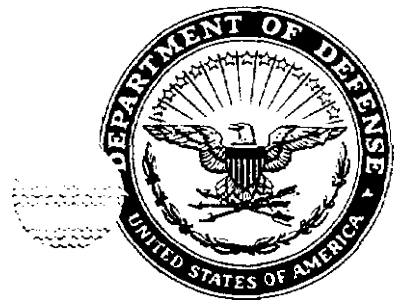


A DoD Handbook

Assessing Defense Industrial Capabilities

April 1996

The Under Secretary of Defense
for Acquisition and Technology



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



April 25, 1996

FOREWORD

As a result of reductions in Defense procurement, product managers face the risk that the Department of Defense will lose a particular supplier or a particular capability. Companies may report that they are considering leaving a line of business, or may no longer provide a product or service to the Department of Defense. They may request that the Department of Defense maintain a particular level of production or size of contract, regardless of our present requirements.

Since any of these actions involve use of limited Defense resources, the Department must make considered, critical judgments before acting. This Handbook was developed to help evaluate these situations. It provides the framework and guidelines to evaluate the need for DoD action to preserve defense industrial capabilities.

We hope that this Handbook will improve the Department's decisions, by providing DoD managers with guidance, while recognizing the need for flexibility and judgment. However, it is not intended to replace normal vendor management practices or to supersede federal procurement regulations.

This Handbook is issued under the authority of DoD Directive 5000.60, "Defense Industrial Capabilities Assessments," April 25, 1996. This Handbook applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Defense Agencies, and the DoD Field Activities, hereafter referred to collectively as "the DoD Components." The guidance provided is effective immediately and is mandatory for use by all DoD Components. DoD Component Heads may only issue supplementary instructions when necessary to provide for unique requirements within their organizations not addressed by the Handbook. Supplementary instructions must be approved by the Assistant Secretary of Defense for Economic Security.

Please send your comments and suggestions to: Office of the Deputy Under Secretary of Defense for Industrial Affairs and Installations, Industrial Capabilities and Assessments, The Pentagon, Room 2B322, Washington, DC 20301-3300 (E-mail: ICA@acq.osd.mil)

We are also available to assist in making particular judgments. Please contact the Director, Industrial Capabilities & Assessments, 703-697-1366 (DSN) if you need help.

Paul G. Kaminski
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